

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

**Eagle Grove Golf Course,**  
Petitioner-Appellant,

**v.**

**Wright County Board of Review,**  
Respondent-Appellee.

**ORDER**

**Docket No. 12-99-0593**  
**Parcel No. 09-29-100-004**

On September 10, 2013, the above-captioned appeal came on for hearing before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) (2013) and Iowa Administrative Code rules 701-71.21(1) et al. Appellant Eagle Grove Golf Course was represented by Darron Baker, a former Golf Course board member. County Attorney Eric Simonson represented the Board of Review. The Appeal Board now, having examined the entire record, heard the testimony, and being fully advised, finds:

***Findings of Fact***

Eagle Grove Golf Course is the owner of property located at 1127 270th Street, Eagle Grove, Iowa. The Golf Course was classified commercial on the January 1, 2012, assessment and valued at \$329,000, representing \$121,300 in land value and \$207,700 in improvement value. This was an increase from the previous year's assessment.

The Golf Course protested to the Board of Review. It claimed property was over-assessed under Iowa Code section 441.37(1)(a)(2). The Board of Review lowered the assessment to \$287,600, representing \$121,300 in land value and \$166,300 in improvement value.

The Golf Course then appealed to this Board reasserting its claim. It asserts the property's correct assessment is \$179,400.

According to the property record card, the property is a 68.5 acre, nine-hole golf course that was originally built in 1940. The clubhouse, which is a one-story frame building, was built in 1927 and is 2308 square feet. In addition to the main clubhouse, there are several metal warehouse buildings and four mini-storage buildings on the property.

The Golf Course asserts its property is over-assessed. At hearing, it pointed to the sales of several other golf courses (Exhibit 1-4) across northwest Iowa to support this assertion. The sales include:

- Gowrie Golf & Country Club in Webster County for \$150,000 in April 2007;
- Webster City Links in Hamilton County for \$200,000 in December 2006;
- Raccoon Bend Golf Course in Green County, for \$182,000, less \$102,000 for personal property resulting in an adjusted sale price of \$80,000 in January 2008; and
- Hillside Golf & Dining in Hancock County for \$275,000 in July 2002.

Darron Baker testified regarding the Golf Course's selected comparable sales. Baker believes the sales are very comparable to the subject property. He noted the Hamilton County sale was for outstanding debt; and he did not know whether it was a good sale. Additionally, Baker noted the Green County property is located in Jefferson, which he considers a small town like Eagle Grove. He also said this property's clubhouse probably isn't quite as large as the subject. Ultimately, Baker believes this evidence shows a decline in the value of golf courses in the area.

The record also includes one additional sale, which the Golf Course submitted to the Board of Review. Slippery Elm Golf Course in Hancock County sold in February 2006 for \$125,000. The Golf Course did not reference or comment on this sale at hearing.

We note the Golf Course's sales are rather dated. This may be expected for golf course properties because, as Assessor Shari Plagge commented, they do not sell frequently. More importantly, the Golf Course made no adjustments to the sales to account for differences between the properties and the subject. For this reason, the information is of little use in establishing the fair market value of the subject property as of the assessment date.

Baker also critiqued the sales provided by the Board of Review (Exhibits B-G). He attempted to distinguish these sales from the subject property based on their locations and size of community as compared to the subject property (Exhibits B; D; E; & F); surrounding residential developments and the sale of a golf course including surrounding lots (Exhibit C); and a sale to a community college foundation, which he questioned whether it was a good sale (Exhibit F).

The Board of Review asserts the assessment is reasonable. Plagge testified that all of the golf courses in Wright County were revalued for 2012 because the Clarmond Golf Course approached her about its high assessment relative to other courses' assessments. Plagge explained the method her office used for assessing the golf courses, which primarily relied on the Iowa Department of Revenue's REAL PROPERTY APPRAISAL MANUAL. They first used the cost approach and then determined if the end cost was within the comparable range of sales. She testified regarding the sales submitted by the Board of Review and noted these were considered when valuing the Golf Course. She stated her office searched for sales that were from counties with similar populations. Regarding Exhibit B, she said Manchester has a slightly larger population – she said this one was an 18-hole golf course at the time of the sale. The Butler county sale, Exhibit C, was a 9-hole golf course. While this sale did include vacant residential lots around the course, the assessor considered this factor and discounted the sale because of it. The Estherville Golf Course, which is located in Emmet County (Exhibit D) has a slightly lower county population. She explained that per hole the golf courses in Wright County are

valued the same and the same process was used for each one. Any difference is attributable to variations in the land and the buildings they have.

She disagreed with the comparability of the sales provided by the Golf Course. She noted the number of buildings affects the valuation. Further, she notes the outstanding debt considered with Exhibit 2 would result in this sale not being considered an arm's-length transaction. Finally, while she notes Exhibit 3 is in a somewhat similar sized community, it is a 2008 sale. We again note this sale included \$102,000 worth of personal property and the adjusted sale price is \$80,000. Without further information, we hesitate to consider this transaction as reflective of the property's fair market value.

### ***Conclusion of Law***

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or

comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then “other factors,” such as income and/or cost, may be considered. § 441.21(2). The property’s assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the Golf Course must show: 1) the assessment is excessive and 2) the subject property’s correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995).

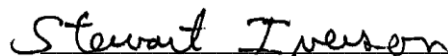
Altogether, the Golf Course’s evidence is insufficient to establish that the assessment is excessive or to show the subject property’s correct value. Although the Golf Course supplied sales of other golf courses, these sales were not adjusted to account for differences between them and the subject property.

THE APPEAL BOARD ORDERS the assessment of Eagle Grove Golf Course's property located at 1127 270th Street, Eagle Grove, Iowa, of \$287,600 as of January 1, 2012, as set by the Wright County Board of Review is affirmed.

Dated this 10th day of October, 2013.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

Copies to:

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Certificate of Service

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on October 10, 2013.

By: ☒ U.S. Mail    ☐ FAX  
     ☐ Hand Delivered    ☐ Overnight Courier  
     ☐ Certified Mail    ☐ Other



Signature \_\_\_\_\_